

Charter School Workshop

February 16, 2006

Panel Discussion Transcription

(The questions are in blue and the answers are mostly verbatim so that nuances are not left out. However, they are not direct quotes to help with clarity.)

Panel Members: Kevin Benjamin, Thomas Jefferson Charter School Board
Chris Jensen, Compass Charter School, Board Chair
Kirk Miller, Anser Charter School Board
Vickie Scheuffele, Idaho Virtual Academy
LauriAnne Shoemaker, Idaho Virtual Academy Board

What are the details of a programmatic audit? Are these the requirements of the Charter Commission?

Stephanie Clark, Idaho Department of Education, School Choice Specialist (SC):
Programmatic reports are the requirements of the law. They have to be presented annually to their authorized charter entity regardless if it's the commission or the district

Panel Member: A programmatic audit is a review of how your school, your program, is complying with law and your charter. The financial audit handles the financial side; the programmatic is looking at your requirements within the law and are you achieving them. Provide your authorized charter entity with the review that says: you're doing what you said you were going to do; you're doing what is required by law. If you look at the law the way it is now, once you are a charter, the way to lose that charter is to basically break the law and/or violate your charter.

Another Panel Member: You were talking about your measurable standards, part of that would be programmatic audit.

What type of fundraisers have you done?

Panel Member: We have done a lot of grassroots efforts where we have gone out and had spaghetti feeds. There's a program with Starbucks that they have to donate so much money per month to non-profits. The way that you qualify is to do some community service. Our parents got together and helped to put some bark down in a playground. Depending on how many parents there are and how many hours you put in determines how much money you get. You can get up to \$1,000. It sounds like a little bit but when you first start every little bit counts. We are doing something in the spring; more of a Carnival-type thing. Then obviously we received the Albertsons grant. That was a nice chunk of money that we received from them. But that was one that came to us because we were new and opening.

Panel Member: We don't do a lot of fund raising. We have a PTAB (Parent/teacher association board) organization within our school which is like a PTO or PTA. They work with Albertsons and other community groups. For example, last year the PTAB helped sell dictionaries for our kids. They helped sponsor our children who needed

monetary help. So our PTAB really runs all of our extra fund raisers sources that came through our school.

Panel Member: We rely on a lot of fundraising because we have small class sizes. Eighteen kids in kindergarten and it goes up to 24 maximum in the 7 and 8 grades. So you look at the financial model. It's a very tight budget for us. So about 15% of our annual budget of 1.3 million dollars comes from outside sources - grants and fund raising. We have what we call a fall campaign which is a direct donation pitch to parents, grandparents and some community members who have shown us support in the past. We do the Albertsons card. We have what is called script. There are a number of businesses in town that you can basically buy a coupon. You buy a \$50 gift certificate from Fred Meyers and Fred Meyers gives (depends on the business - 3% to 5%, some as high as 10% of that) back to you. People come in and buy \$400 of script for Fred Meyers to buy their groceries for the month and the school gets \$20 back. That's a little bit time consuming. We have an annual auction in the spring. We put on a dinner, go out to community organizations who donate the food, parents organize and cook it. We have silent auction items and live auction items. I've auctioned off a fishing trip. My brother has a cabin on the Deschutes River and takes people over for a fishing and bird hunting weekend. I pay all their expenses and that's sold for \$800 a seat for the past two years. People might have a condo some where or you go to a business and the business donates a VCR that they might sell. We raise between \$25,000 and \$35,000 with that option. It takes a lot of work and a lot of parent volunteers. But it's also a great community building activity. People look forward to it. People get creative. For grants we have a staff person who for about a quarter of the time is responsible writing and chasing grants. Learn and serve helps support our service learning. We have won some awards for our service learning. One amounted to \$10,000 from the Boyer Center. We very aggressively go after grants that support our programs.

Panel Member: We have a very successful network of PTABs across the state who take time to develop those systems. We are actively gearing up for some more grants and this has been extremely instrumental in that it has been a joint effort between the board and the administration. Being a statewide virtual school, we have a couple of challenges. We're not a community school. If you have a building you can pretty much gain community support, within your community. That's where a lot of your students will come from, not necessarily all of them, but there is a benefit for people in the community to donate to the local school because they have children or it is part of their goal for their community. So we don't necessarily have that. But I think over time we might become a model of that. You know a pride in being an Idaho-wide school that we take any child any where no matter what their financial situation. We might be able to get some state sentiment. I don't mean public funds type, I just mean there might be some private funds; there may be some tax payers. So there is still some potential there, but most will probably come from our PTAB organization and the board and administration involved in grant writing.

Panel Member: We have a parent faculty association that is in charge of the fund raising. We opted to just have one main fund raiser each year. Last year ours was a silent auction and dinner and live auction. We raised about \$30,000 from it. So we felt fairly comfortable with where we were at. One of our big things that we were concerned

about was hitting up our people too often for donations. Do we hit them up for time to come in and help after school. We were really concerned with over doing it. And so that is why we throw everything at this one auction. There is a local car dealership that will be there with 10 or 12 cars for everyone to test drive and the school gets \$5 or something for each test drive. Just little things like that. Modern Woodmen matches funds up to a certain amount of raised funds if you use their name on your banner to help advertise your fundraiser. We just do lots of those things. We have one of our board members who is in charge of grant writing and they spend a lot of time researching. They have gone to some conventions about learning how to write grants and researching all the different grants available. Ours is just the one main fund raiser.

From the audience: Stephanie, can I make another comment? One of the challenges that we run into is you obviously need to receive non-profit status from the federal government. And there is a myth that it is about \$500 and a phone book worth of paperwork. We started the process last May and we just received a 501C3. When we were going through that process, we were going out to the community to try do some fundraising, and they always wanted to know if you are non-profit. So my advice is to start earlier than later.

From the audience: Even with the Albertsons start up grants, before the foundation sends the check, you have to have evidence of your 501C3 status.

Two questions that tie into that and go together:

[What are your main sources for funding besides state money? Where did you get your funding for the building and supplies and technology?](#)

SC: We kind of talked about fund raising and grants. Are there are any other sources of income? How did you pay for your building?

Panel Member: We obviously relied heavily on the federal start up grant which I think is awarded for the first three years of operation. It helped us a great deal in acquiring our furnishings and technology. Those things that you need to start up a school. Obviously you can't rely on that over and beyond those three years. But that was very instrumental in helping us get up and running. And then we try to do what we can to maximize our dollars that we are given by the state to help us with facility issues.

[Question from audience: How much money does the federal grant award?](#)

Panel Member: We were awarded \$150,000, but I don't know for sure if that is across the board. I think it depends on how many charter schools apply for it.

SC: It is budgeted at \$150,000 per school for a max of six per year. It is not a competitive grant but you must write a good application or I'm sending it back to you to rewrite it. The \$150,000 is per year, not over three years. The Federal grant is a three year grant from the feds that started this year. Since you won't start until 2007-2008, you will only participate in the last year of the grant. I will have to write another grant for the three years starting fall 2008 if the grant is still available. I'm not going to guarantee anything past 2007-2008 because you never know what the federal government is going to do.

Panel Member: About the funding on the technology question. That's one of those things that you have a better chance of getting a grant. For an organization, many entities will give to something specific like technology; buying computers, buying software, buying smart boards, whatever. You have a better chance with targeted grants than "we need \$50,000 for operations". I would encourage you to do that.

SC: In your books, Dawn Wilson has put out some of the technology grants she knows of. So she has some of that information in the tabbed section on technology. You can look through your book later to find some of that information. Kerri?

Kerri Pickett: One thing that we found for all these charter schools from surveys is how much money they spend on facilities. It came to be about 14% to 16% of their budget. As you're budgeting, you might want to just think about carving out that amount for your facility.

Panel Member: Depends on where you are. We're located in downtown Boise. It's a different beast than if you're in Salmon.

Question from audience: On the federal grant money, is that specified on what you can and can not spend it on?

SC: Yes. It is for the planning and implementation of the school. It can not go for anything that is an ongoing expense. So you can not pay your salaries with it.

Question from audience: How about teacher training?

SC: Yes, teacher development, professional development, supplies and books, and curriculum development.

Question from audience: Buildings?

SC: No. It can not go for buildings. It may go for temporary leases. For example, if you are building and you are going into a temporary lease for one year, in a portable, possible. Not if you are going to be in the portable for an ongoing period to time. Because even though that is "temporary" it is still considered an ongoing facility expense and that is not allowed. Some building improvements are allowed as long the building can exist without it. This grant is mainly to be used for those things to help you to get started where the state money cannot. So it is not ongoing. Don't get so dependant on it because once it is gone, it's gone. Use it on staff development; use it on curriculum; use it on furniture.

Question from audience: When do you get the grant and what do you do before you open your doors?

SC: You don't get it until after you've started.

From audience: You get a line a credit.

SC: That's an excellent idea. If you go to a bank and say we are authorized and we will be getting state money, coming in July. We are applying for this federal grant. There are a lot of them that will give you a line of credit. You may end up paying interest on that. But that is definitely one of your funding options.

From the Audience: In regards to the question and answers given, you've noticed that there haven't been any direct answers, except for the line of credit, to how they fund the building and facility. Charter schools do not get the typical local school property tax dollars from the local community which they typically use to buy the facility. In my school district of Middleton, we are going through a huge growth spurt out there. They have to raise school bonding in order to buy land and buildings. There is also a federal limit, apparently, as to how much bonding they can do. Even they are limited on what they can gather from tax payers. My other point is, I can think of quite a few charter schools that started with facilities because of a major donor.

SC: I know that there is a lot of that going out there where somebody in the founding community donated land. There may be a development going on and they just take a part of it and donate it to you. Lease it to you or donate it to you. That would be very creative for your facility. When land is donated, the schools had to put all their building expenses into it.

Panel member: We actually received a donation of two parcels of land. One that we are building on right now. We went into temporaries for our first two years. The other piece we just sold and are using that amount of money to put our down payment, refinance to build our building. And the piece sold for just less than a million dollars. It was a nice down payment.

Question from audience: You used your land as collateral to get initial funding; to get the ball rolling on construction?

Panel member: Yes, on one piece. The five acres we are building on we were able to use that. The other one we couldn't for various reasons. We didn't get any line of credit in the beginning. We deferred payment wherever we could. We just really scrimped and tried to find used stuff and tried to go just as low cost as we could.

SC: There are some charter schools out there that do not have textbooks. They have handwritten handouts that they give out, but they do not have textbooks yet because they cannot afford them. So you may have to be very creative in the way you do your instructional program.

Panel member: And another interesting thing. I am not directly involved with Hidden Springs, but I read the newspapers too. It is interesting to me, about six months ago maybe more, did you notice there was some news about Hidden Springs charter school working with the community to possibly jointly work on a library. So that is another cost, a huge cost for schools, is a library. I am still trying to actively think of ways that we can provide e-documents, or e-books or something more widely read; to get to some kind of virtual library. A library is another huge expense. It's not just the facility; you need a place to put the books, then to purchase the books.

Question from audience: What if your charter school is located in a community that is willing to support that school financially. Is there any way that you can utilize taxation as a way of community level of funding?

SC: That would be a very good legal question to ask your attorney, but my opinion and perspective on property tax, no.

Panel member: I don't know why a community couldn't do a low cost tax to build a building and lease it to you for a dollar a year. I think there are very few communities have a local taxation option - Sun Valley, Hailey,

SC: That would be another option. Have them do the building and lease it back to you.

Panel member: For us in the city of Boise, Mayor Bieter has said that he would be very interested in keeping the vitality of downtown Boise. It is very key. One of those compounds would be to have one of those schools downtown. They are very interested in us staying here, so they are looking at ways to help us address some of those facility costs because they realize it is an expense for us to stay. They don't have a local option taxation but there are other things that they can do to help us.

When starting a new Charter School: 1) how does one find a facility/building; 2) fund its acquisition?

Panel member: We kind of started the process backwards. We got all excited about the charter and then left the finding of a facility as a last detail. We did not realize that in the time it took us to get approved that the land rates would skyrocket. We are located in Meridian, so what was once reachable for us suddenly became unreachable. But we contacted a developer and they had offered to put some portables on some land they had. There were some delays in that so we found a church building that was willing to let us use their space during the week. They don't use it obviously. We don't use it on the weekend, so it was a good match. It's made for some creative partnerships, because we have to take everything down on Friday, put everything back up on Sunday. We did not want to impact our teaching staff at all so it was all done by our parent volunteers which we were grateful for. We did look around quite a bit, trying to find something existing and that was hard. The property and building is so hot right now. That's what we did; we went to a church.

Panel member: We sub-lease from Bronco Elite Gymnastics Academy. We converted racquetball courts into classrooms. We were on our way to doing that and ran into some glitches. That was when we started 7 years ago. The glitches were getting the building up to the code and who was going to pay for it. So we ended up for the first semester in the old PERSI building which Boise High had used when they were renovating. So it met all the education codes. That's one thing, you find a great office building or other building – the education codes, fire codes and building codes are another beast. So we were in that building in the first semester. They had very wide hallways so my son in first grade started out school in the hallway. Bronco Elite came about because somebody knew somebody. Now our on-going facility search has been fairly traditional. Going to realtors to say "this is what we need" and they find what is out there and pursued the market. But we have also, like I said, gone to the city to look at partnerships. We talked with the Boise School District about what opportunities there are within vacant school district buildings. We've gone out and talked to developers about what type of projects might you build where you have a school and a development complex together. What kind of advantages there might be. We've used the old Boise network, where people grew up here and somebody knew somebody and kind of worked with those relationships to find opportunities. It is an ongoing thing. As soon as you decide what school you want to be, then the next thing you should do is

form a facilities committee to start looking. And then a fundraising committee to start raising money. Maybe the other way around, I don't know.

Panel member: At Virtual we often need some facilities for certain things but you also need testing and certain requirements. Also record keeping, you have to have a secure place. I've learned this through trial and error; you can't minimize something to nothing. You have to have something for the kids. But you have to have a secure place for your records. Our teachers and administrators have been very creative in finding places all over different communities. I will share a few with you. I already mentioned churches. Churches are still a great option. You can run into issues with people not wanting to participate in an educational atmosphere at a particular church. But as far as time line, you can imagine. Schools meet during the week, churches don't. I think they are a tremendous opportunities. Libraries typically have a public room that is available for reserving. Grange halls, universities and colleges will sometimes provide space for around \$50 for a day or two. Some may charge more for a college or university spot. You might find something permanent in your district, like Boise. There may be space available in the school public school system itself. Look there in your community. Are there any other spots that are not utilized? *(These are all options for short term use for activities such as testing, registration, events, etc.)*

Panel member: We met in the basement of Whitney Firehouse on Overland for meetings and PTAB meetings.

Panel member: There was a school in eastern Idaho that took an old, closed school and rented it from the school district.

Question from audience: Do certain facilities have to be within a certain school district or certain city to take advantage of it?

Panel member: It depends on the entity. At it depends on how that entity itself is funded. Possibly you could run into that. But we've run into fairly widespread openness in our area. So if it's available and then use it; it seems to work. *(Note: You must submit your petition to the school district that you will be physically located in.)*

What is your relationship to the local school district and how did you establish that relationship as a win-win? Are there any obvious pitfalls to avoid from the start?

Panel member: We were very fortunate in that in our founding group two of us had grown up in the district. The current superintendent was our high school principal and we worked with him quite a bit when we were in school. We had a good relationship with him. We knew the school board president very well; the district school board president. We just started working with them causally. We presented our idea, we got a feel for them, what did they want to see in a school, in a charter school. We tried to incorporate everything that they wanted to see into it. As long as it was not completely opposite of what our direction was, we tried to make accommodations for it. So when we went to physically present it to the school board, they were already ready to accept it. We took a lot of time meeting with members of the school board; calling them with questions and really trying to get that relationship going between them. They were concerned that it would turn into an adversarial relationship as well. They wanted it to

be a good relationship, we wanted it to be a good relationship so we worked on it back and forth. We have a great relationship with our school district, Vallivue. We use a lot of their facilities. Their tech guy comes over and helps on our computers all the time. There's lots of trading back and forth. We are still in temporaries so whenever we have big meetings we use their gym or auditorium. It's been a great fit. Part of that question was, "what do you want to avoid." On our first presentation, most of our group was from Vallivue and we knew that the Vallivue school board was very of prideful of their school. In their opinion, Vallivue is the best. I played to that, that all of us were local people. One of the people on our founding board wasn't from Vallivue and he presented the idea that Vallivue could become like this other school. Vallivue did not want to become like this other school. And so at the beginning we realized that we needed to play at what they're wanting and once we got around that issue that was our main pitfall.

SC: Don't try to change them, try to work with them so that you are meeting their concerns; that you care about their concerns and that they are there for the students benefit.

Panel member: We kept representing that we were building on what they had done. That they had done a great job and tried to build them up; that we were going to be an asset to their district and we were going to make them look good.

Panel member: Anser was started by a principal and several teachers from Garfield Elementary from the Boise School District. District employees who had an idea for a new educational model. They took it to the district and the district said no. So even before charter legislation was passed, they were talking about a school. I guess the original idea was to start a private school and the whole charter idea came and that helped support this concept. You had district employees on the inside and initially it was not a good relationship. The initial meetings in the first couple of years, it was fairly adversarial. But both sides made a change and made an effort to make it work. Stan Olson made a huge difference in terms of relationships with the district. As I told someone earlier, Stan likes to work with us and do what is best for the kids that are there. So it's taken time to evolve. I try to meet on an informal basis with Stan, go to lunch, go sit down in his office and talk about general things. And I think we have a good repore. I got lucky to find that when he was in Casper he worked closely with a guy who works my same company in Casper. When that guy is in town we all go out to lunch. I think it helps building personal relationships. I think we've built that. As a Charter school commissioner, what I see is schools that have come in and have been combative. I think as you mentioned "we don't like you, we're better, you have to give this to us" then you are asking for trouble. My personal opinion is being a district charter school is far superior to being a charter commission school. This does not apply to the virtuals. For special education, the quality, I am very proud of the special education program we have in Anser. The Boise School District is a significant component of that. They bring the specialists in when we do our evaluations. They provide resources to us; their people are interested in those kids' futures. That is very positive. I would encourage you to do whatever possible to nurture your relationships. This is an outstanding example of Thomas Jefferson, of how you should do that. I would encourage you to stay at the district level if you can. Your school is going to be better for it.

Panel member: Your students get more if they get the district-wide stuff. They get the school stuff, they get the district-wide stuff and they get the state stuff. There is a lot of educational stuff out there. And so if you skip right to the state and look to the community where your school is, you lose that and you also lose all the district stuff. Extra curricular, you lose that if you go to the state.

What advantages are there for a District to have its own charter school? What are the disadvantages? Why might a district deny a charter?

Panel member: I think it depends on the situation. For Boise School District, losing enrollment, giving it up to charter schools, losing revenue; they've got space in their buildings and that is obviously a challenge for them. My perception is if you're from the Meridian school district and you're screaming about where the money is going to come from to pay the capital expenses to build these buildings and you could take 200 kids out and not have to build a physical facility for them that would seem to be a positive to me. Otherwise, it is a loss of market share, if you want to look at it from a business standpoint. Districts are having to take their overhead costs and allocate it across fewer students. From a straight financial sense, they don't like it. Secondly, the challenge is the perception that they aren't doing a good job, and someone else is coming in and saying "we are going to do better". That happens because you politicize the issue. There are people involved in the charter school movement for political purposes, there are people in it for the kids. People are against charter schools for political purposes or people who don't approve of it because they don't think it is good for the kids. You get the people who are in it for the kids, either for or against charters, to work together, and then you got a chance for success.

SC: As far as advantages for a district to start their own charter school, or to approve a charter school, first, they now have a relationship with a charter school, they don't have a separate district within their boundary. Secondly, federal funding goes through the district and then it is portioned out to you. You are a stand alone with your own administration but you are also part of a district. For many of the title programs, as a district approved charter school, the title programs go to the districts and then out to you based on federal requirements. They can't hold that money from you, but it is based on federal guidelines. So they are not necessarily losing their federal money. The districts already have those programs up and running. Their dollar goes a lot farther because they have it all set up. There are not as many benefits on the district side as there are on the charter school side except they can better utilize services they may not have maximized by partnering with the charter school.

Question from audience: If you look at something like the situation in Meridian which is over crowded. Wouldn't the district look at helping out its own charters as being a benefit? It allows them a new venue of getting funds through (too faint to hear). The students are just kids that are at the same address but they are now going into a charter school within Meridian. Now they have an opportunity to get, potentially, more funding.

SC: Even if the district authorizes it, the district isn't getting any of the state appropriated money at all. That all goes to you. The only reason that the federal money goes to the district is that it is the federal law. But it does not mean that you don't receive it. Even if a district starts a charter school, the charter school is a stand alone.

So even when it starts up, the district is not running the school, the charter school's board is running the school. A district cannot say, "I'm going to make that school a charter school."

The following questions were not recorded and were therefore put out to the existing schools to answer via email. Their answers are summarized below.

[How is attendance tracked for the student that is taking classes at a district school in order to meet the four hours per day requirement? Three hours at the charter and two hours at the district school](#)

This is normally worked out with the other school and students are required to follow the attendance policies of each school attending. Each school is responsible for only counting those hours a student spends in instruction at their school.

[Can a student cross over a state line to attend an Idaho charter school?](#)

Idaho charter schools have to follow the same laws and guidelines as regular schools. They must report any students who are attending their school who is a resident of another state.

[What accounting package are you using?](#)

Examples of accounting packages:

1. 2M Data Systems (Mendenhall), 55 W Center St, #141, North Salt Lake, UT 84054, (801) 863-6053
2. Fund E-Z
3. AS400
4. Visions by CSA
5. Skyward
6. MASS90

[Why are there so few secondary charter schools?](#)

Secondary charter schools are much harder to start for a couple of reasons:

1. Teachers have to be highly qualified in each area they teach so it is hard to staff a small school
2. High school students have more say in where they go to school than the younger students. It is very hard to convince a high school student to leave their regular friends and extra curricular activities to go to a charter school.
3. The best ways to start a charter high school are:
 - a. design your program with a very specific audience in mind. Your school should have a unique and concentrated purpose.
 - b. start with K-6 and grow by one grade each year so that you have a "feeder" class into the upper grades. This method is still hard because some students will choose to go back to regular school once they get into the higher grades to have access to more classes and extra curricular activities.